

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of:

Luis Eduardo Gutierrez-Sheris

Serial No.: 09/635,330

Filed: August 9, 2000

For: MONEY-TRANSFER TECHNIQUES



Examiner: Karmis, Stefanos

Group Art Unit: 3624

Commissioner for Patents
P. O. Box 1450
Alexandria, VA 22313-1450

DECLARATION UNDER 37 C.F.R. § 1.131

SIR:

I, Luis Eduardo Gutierrez-Sheris, declare as follows:

1. I am the sole inventor of the invention in the above-referenced patent application and all the subject matter claimed therein. I submit this Declaration in order to establish a date of invention prior to the May 3, 1999 priority filing date of U.S. Patent 6,609,113, which issued to O'Leary et al., a reference cited during the examination of the patent application.

2. As illustrated from the information provided below, I submit that the claimed subject matter of the invention set forth in the application was fully conceived of prior to May 3, 1999 and from prior to May 3, 1999 until the filing of the U.S. provisional patent application on January 5, 2000 (serial no. 60/174,646), I developed the invention with due diligence.

3. The following events occurred prior to May 3, 1999:

a) I initially was hired to work as UniTeller's (the assignee of the present application) marketing coordinator, but my work had shifted to software systems implementation and product/process design. My efforts involved considering various concepts relating to facilitating money transfer transactions. I considered the concepts of using plastic magnetic cards and other devices in connection with money transfers.

b) There were two innovations within our money transfer process that I had been developing. On one hand, we wanted a device, perhaps a smart card, a normal credit-card-style magnetic card, or some other electronic device that could be used by the agent to identify the customer. This device would improve the customer experience by shortening the period of time required to complete a money transfer transaction. Additionally, we wanted a method by which a beneficiary, or recipient of money transfer funds, could use to receive funds at an ATM. We were considering ways in order to allow ATM machines to make payments directly to the beneficiary with the use of cards as well as without the use of cards.

c) We (myself and others at UniTeller) had settled on the specific manner in which we would implement a customer identification card. In fact, a good portion of the implementation had been completed at this time, and we began testing the system, which I was actively involved in.

d) Thereafter, after examining various options, we had also decided to pursue a scenario that would permit a beneficiary to receive his or her

funds via a plastic card that would act as an ATM card. This card would permit the beneficiary to receive funds using an ATM. We had also determined that the sending information card would point to a receiving card, so that monies could be sent multiple times.

e) As time progressed, we were busy finalizing the marketing plan of the customer identification card, testing and completing the software implementation of the system, and rolling out the new hardware required by our agents to use it. We continued to work out the details of the functionality of the ATM card system during this time as well.

f) Thereafter, a sending information card, dubbed the “Money Transfer Card” or “Tarjeta de Envio de Dinero”, was rolled out to customers. Also, we were working out the method by which ATM cards, having been distributed to agents in a non-personalized format, would be “activated,” credited with funds from a remittance, and linked to a particular sender and beneficiary. We decided that there could be many ways that a card could be “activated,” but that we would focus on three possibilities in the implementation: activation using a web page, activation using a credit-card-style swipe card machine, and activation using a telephone-base IVR system.

g) We had fleshed out the process that has been described in the patent application and which would subsequently be implemented and marketed by the company. At this time, my work concerned three areas. First, I was researching the United States’ ATM network, in order to discover the manner in which a non-bank may be able to offer a product like the one we were

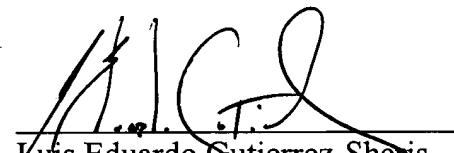
considering. Second, I was looking for additional team members that could help us with the sales work that needed to be done to get UniTeller access to these ATM networks. Third, I was also working to decide on the appropriate platform to use to implement the ATM card system. The "Money Transfer Card" system had been implemented using an archaic legacy platform called "Helix" running on Apple Macintosh machines. It was resolved that the company should use a more robust, Java-based system talking to a main-line database system like Sybase or Oracle, and a more commercial operating system like Unix or Windows. The difficulty represented by this decision was that the entire software implementation for the "Money Transfer Card" would have to be rewritten for the new platform in order to go forward. During this time period, the company began to put together a software development team to accomplish that result.

4. S sometime during May and June of 1999, we began contacting ATM transaction-processing companies, in order to find a vendor that could work with UniTeller on the commercial implementation of the product. The documentation attached in appendix A is a copy of one such communication, dated June 25, 1999. As shown, the communication set forth the invention to a third party in particular detail. Efforts relating to continued communications with potential partners continued. Moreover, development of software for implementing the invention set forth in the application continued.

5. While development of implementation of the invention was proceeding, we contacted, in July, 1999, patent counsel (former patent counsel) to begin

the process of patenting the various inventions developed. Documentation showing a communication with patent counsel during this time is attached in appendix B. In addition to continued implementation of the invention, as mentioned above, continuous efforts were made at this time to pursue patent protection. After conducting patentability searches, and spending at least a few months in the preparation of the provisional application, the provisional application ultimately was filed on January 5, 2000.

6. I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statement and the like so made are punishable by fine or imprisonment or both, under section 1001 of Title 18 of the United States Code and that such willful false statements may jeopardize the validity of the application or any patent issued thereon.



Luis Eduardo Gutierrez-Shenis

Dated: New York, New York
November 3, 2005



APPENDIX A



This document contains confidential
Servicio UniTeller, Inc., information.

To: Dennis Hennessey (fax: 445-1254)
From: Eduardo Gutierrez-Sheris
Date: June 25, 1999

Our proposal is to create a system by which our customers' beneficiaries would be able to pick up their funds in the U.S. at NYCE ATMs by using UniTeller/Bank of New York co-issued cards. These generic instant issue cards would be activated at UniTeller distributors, which would be contractually obligated to follow security procedures specified by any agreement between NYCE, the Bank of New York and UniTeller.

The benefit of these cards to both NYCE and the Bank of New York is the revenue derived from transaction commissions. A UniTeller money transfer will often take in \$20 (an amount to be split between the selling agent and the transaction processor, UniTeller).

Attached to this fax is a relatively detailed chart/outline describing a proposed functionality for the "ATM payment card". It is meant to address the product under consideration on three different levels:

- it describes the experience of the beneficiary collecting funds
- it describes how our system handles the transaction
- it addresses conceptual concerns including fraud and market motivations

The attached sheet is rather comprehensive. Obviously it cannot describe all aspects in perfect detail, but the specifics included in this outline are there simply to anticipate the concerns that NYCE might have about this project. Our intention is very basic: to allow our customers to get their money from ATM machines. The technical and procedural details are open to discussion.

Also, to place this proposal in context: More than one person in the ATM card processing industry that I have spoken to has told me that what UniTeller is trying to do is very similar to a "Payroll Card." I do not know how these cards work, and I do not know whether NYCE or the Bank of New York offers these cards to their customers. I am under the impression, however, that they are relatively conventional, and that they may even be common.

UniTeller is a money transmitter, with business sending money to Mexico, the Philippines, Colombia, Ecuador, and other countries. Founded in 1994, it is now licensed to do business in fourteen states, and does business in eleven states that do not require money transmitter licenses. Sales in 1998 exceeded \$14.5 million; profits of \$1.65 million were a five-fold increase over fiscal 1997 (318,706).

BEST AVAILABLE COPY

UniTeller ATM Payment Processor

Chart

Customer Interaction

customer sends money through UniTeller to an individual identified as his "Beneficiary"

customer contacts his Beneficiary and tells him Folio number of the transaction

Beneficiary goes to a UniTeller card distributor and asks for a UniTeller ATM payment card.

distributor calls the # number printed on the card in order to activate it

distributor enters the card number via touch tones requested by the automated voice system

distributor enters the Folio number via touch tones as requested by the automated voice system

Beneficiary is given a card and a PIN number and instructed to go to an ATM to retrieve his funds

Beneficiary retrieves funds at an ATM just as if he were using a bank card.

Our Back End

At the origination of a transaction a random Folio number of ten digits is generated; it is unique among all active Folio numbers

The Folio number is the sole means of identification used by the Beneficiary to collect his funds. We inform our customers that it is their responsibility to keep their Folio numbers secure and confidential.

A record of cards that have been distributed, and to which businesses those cards have been distributed, is kept in our database

Incoming #'s are recorded using caller ID; operators answer the calls from unknown #'s, and the computer answers known #'s

A log is kept of all card numbers that have been entered; if a card has suffered four unsuccessful activations, it will be disqualified

The Folio number is confirmed by the system as being a valid Folio number. If the Folio number is valid, the card will be activated

A pin number is generated according to the conventions of whichever network through which the signal is being transmitted

As a processor, UniTeller would receive authorization requests directly from the network; at this point, our database would authorize

This document contains confidential information.
Servicio UniTeller, Inc., information.

Concept Description

The Folio number is the transaction identification number used by the Beneficiary to collect his funds. Folio numbers are only active until the funds have been paid to the Beneficiary. This is to maximize the total number of unique identifiers available.

As a money transmitter, UniTeller favors as fast a turn over of funds as possible. Usually, a Beneficiary will receive his funds within half an hour. A Beneficiary can wait no longer than fifteen days to retrieve his funds; otherwise, we will return the money.

The inventory list kept by UniTeller will allow for a degree of fraud prevention. Usage patterns will point to particular agents supporting an inordinate number of fraud attempts; also this system would allow us to detect stolen/intercepted shipments of cards.

The telephony system will be smart enough to channel calls to the appropriate receivers. If the call is coming from a number known to belong to a distributor, then the system will trust the automated answer to handle it; however, unknown numbers must be handled by humans.

An activation attempt is unsuccessful if the Folio # dialed is not valid (does not exist). After two unsuccessful attempts, a report will appear on a screen being observed by fraud-control personnel. Of course, some leeway must be provided those who simply misdial.

An active card will represent a funded record in our database: the Beneficiary information collected at the point of sale will be used to create an active "account," the account-holder being the beneficiary, and the funds available being the transaction amount.

When the temporary "account" record is created, a pin number will be produced so as to allow the Beneficiary to retrieve his funds from an ATM. How this number will be generated is open to debate; potentially it would be generated randomly.

The alphanumeric digits encoded on each card's magnetic strip will differ from the numeric digits stamped on the cardface. This is a measure to prevent the private encoding of cards: while the cardface numbers are serialized, the alphanumerics will be random.

APPENDIX B



SERVICIO UN...ER, INC.
6 PROSPECT ...REET - SUITE ^{CONFIDENTIAL} 348
MIDLAND PARK, NEW JERSEY 07432
VOICE: (800) 895-1031, EXT 3401
(201) 251-8771, EXT 3401
FACSIMILE: (201) 251-1702

D. ZEKE EZEKOWITZ, ESO.
SENIOR VICE PRESIDENT - LEGAL AFFAIRS

R K 39 A 70 : 15 : 1
7/6/99

Fax Note

Date: 07/06/99
To: John C. Pokotylo, Esq.
Company: Michaelson and Wallace
Facsimile No: (732) 530-6584
Number of Pages: (including this cover sheet)
Subject: UniTeller Internet On-line Transaction Processing
Comments:

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JP
AR
SR) FOR
RECE
YOUR
INFO.

Please review the attached 4-page package, which represents a preliminary description of the UniTeller Internet On-line Transaction Processing process (Process).

UniTeller believes that the Process may be unique enough to warrant protection by obtaining a patent.

Please note that 2 outside vendors have received copies of the 4-page package in connection with bringing the Process to market.

Please respond to the questions described below:

Can UniTeller obtain a patent for this Process or otherwise protect it from possible infringement?

If a patent can be obtained:

- 2.1 Will UniTeller's disclosure of the Process to the 2 outside vendors affect UniTeller's ability to obtain the patent?
- 2.2 What other information, documents, diagrams, etc. will you need to prepare the patent application?

What are the estimated costs and time frames involved in the patent application registration?

If you have any questions, please call me. Thanx for your help!

DZE/ae

Attachments

DZE-X9907061215

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